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SUMMARY RECORD OF THE 5th MEETING

Chairman: Mr. NICULESCU (Romania)

CONTENTS

GENERAL DEBATE (continued)

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The meeting was called to order at 10.10 a.m.

GENERAL DEBATE (continued)

1. Mr. DESAI (Under Secretary-General for Economic and Social Affairs) said the Millennium Summit had reaffirmed confidence in the United Nations. The dominant theme of the Summit had been globalization and the dominant goal that of poverty eradication. The Secretary-General's report to the Millennium Summit, entitled "We the peoples" (A/54/2000*), had taken globalization and governance as its major themes. It recognized the benefits of globalization, while drawing attention to the backlash to it and pointing out that globalization must be more than just creating bigger markets. There were several dimensions to globalization. Firstly, there was the economic and trade dimension. Fifty years earlier, world trade had amounted to US$ 1 billion per day. Currently, it amounted to US$ 1 billion every 19 minutes. Foreign direct investment accounted for two billion dollars daily, which meant that the eight billion dollars going to Africa represented four days' investment. Secondly, there was the technological dimension. The rapid decline in transport and communication costs had increased interaction between peoples. From 1956 to 1998, the number of NGOs had grown from 985 to 23,000, reflecting the tremendous growth in international civil society. Finally, there was the ecological dimension. Interactions between national economies were having an impact on national ecosystems through climate change, ozone depletion, etc.

2. The problem of globalization was that it was incomplete. The pace of integration and the opening of markets varied from area to area. The much-discussed expansion and liberalization of trade had not affected sectors of interest to poor countries, such as agriculture and textiles. While capital markets were opening up, there had not been the same degree of liberalization when it came to the movement of persons. When it came to technology, much of the focus at global level had been on the protection of technological property rights.

3. The problems stemmed therefore from the fact that areas of particular interest to the poor countries were not benefiting from trade liberalization, thus producing a backlash against globalization for the various reasons explained in the Millennium Summit report. Firstly, there were the disparities reflected in the persistence of absolute poverty, which was now widely condemned. The backlash against globalization also stemmed from the perception that its benefits were not evenly distributed. Even those who gained from globalization could protest against it if they found that others were benefiting from it more than they were. The second reason was vulnerability. Growing integration exposed economies to greater uncertainty. Thirdly, there were the ecological consequences. The "rules of the game" for trade and finance did not pay sufficient regard to the ecological consequences of globalization. What could be done? The remedy for marginalization and the persistence of poverty lay in growth. That was the justification for globalization. How then could growth be achieved? Few developing countries had achieved the consistent 3 per cent growth needed to double per capita incomes over a period of 24 years, or one generation. The small number of countries which had achieved that level had focused on the agricultural sector (in countries where a large percentage of

the population continued to depend on that sector), education, technological capability and institutional change. The efforts of those countries needed to be supported by development assistance, debt relief and technical assistance in order to promote the type of growth which would address the disparities, vulnerability and ecological consequences of globalization.

4. It must also be recognized that there was a "democracy deficit" in the management of globalization due partly to the shift in power from Governments to the private sector, particularly transnational corporations. The United Nations and the regional organizations should make those corporations aware of the social and ecological dimensions of development.

5. Furthermore, the interconnection between trade and finance called for greater coherence in policy decisions on official development assistance, debt relief, trade concessions, macroeconomic stability and growth. What was needed was a system giving a greater voice to those who had little say in institutions which played a major role in globalization.

6. Protests against globalization were themselves the product of globalization in that they were made possible by improvements in communications brought about by globalization itself. Cooperation for development was also to some extent a product of globalization. The answer lay not in putting an end to globalization, which was in any case an impossibility, but in understanding how its economic and political potential could be used to address the problems of inequality.

7. Ms. KING (United States of America) wondered whether the effects of "incomplete globalization" could be overcome by calling on developing countries to endeavour to become globally more competitive.

8. Mr. LE GARGASSON (France) said the Second Committee had before it a particularly far-reaching set of issues. Referring to Mr. Desai's observations on the quality of growth, he asked what Mr. Desai felt about a number of World Bank studies on the quality and quantity of growth, which had found that, when growth was sufficiently strong, it spread to the rest of society quite smoothly.

9. Ms. LEONCE (Saint Lucia) said the problem was not "incomplete" globalization, but an incomplete development programme. If existing disparities were not corrected, there would be no progress. What was needed was a new, more inclusive economic theory. Had the international community run out of ideas? The process of development financing would open the way for an integrated approach to development which would address the systemic inequities at the root of the current situation.

10. Mr. CAVALCANTE (Brazil) asked what Mr. Desai's views were regarding a new consensus apparently centred on increased aid, greater and more rapid debt relief and the expansion of trade. He wondered how the United Nations, as a world body devoted to promoting the welfare of mankind, could reconcile sustainable development and the economic integration of developing countries with the needs of the poorest countries.

11. Mr. HANIF (Pakistan) said that, in those sectors where developing countries were competitive, such as agriculture and labour, they enjoyed no comparative advantages, and there was no evidence that globalization would actually promote development. He suggested that the United Nations should study the link between globalization and development, based on actual data.

12. Mr. THAKUR (Nepal) said his country felt increasingly marginalized. Contrary to what was often stated, the least developed countries (LDCs), whose number had increased from 40 to 48, could be competitive in many sectors such as textiles, software and agriculture, and the developed countries should help them to further develop their economies. Also, clarification was needed of the concept of the right to development from the standpoints of both donors and recipients. Donors should say which development sectors they wished to support and recipients should not shirk their obligations with respect to good governance.

13. Mr. ESCANERO (Mexico) said globalization could be a positive force if it embraced everyone and was an area in which the United Nations had a key role to play, since the need for multilateral cooperation was greater than ever. He also wondered whether the shared but differentiated responsibility of developed and developing countries was still on the agenda and whether it was still an effective concept in the context of globalization.

14. Mr. DESAI, replying to the question asked by the representative of the United States of America, said many developing countries had implemented restructuring policies that had impacted various sectors, but the international community's reaction had been disappointing, as it had led to a reduction in the volume of official development assistance. It was important to recognize the developing countries' efforts by continuing to assist them, rather than dissociating national policies from international support. Regarding the statement by the French delegation, which seemed sceptical about the Second Committee's necessarily modest role in dealing with such far-reaching questions, he said major topics such as the debt of the least developed countries, poverty eradication and special measures in favour of the poorest countries were included in the United Nations' programme largely because the Second Committee had always been concerned with them. The contribution made by the discussion of ideas to the development of a global consensus on development issues should therefore not be overlooked, even though the processes might be slow and gradual. As far as growth was concerned, all scenarios coexisted: strong growth could help to improve standards of living, but in some cases exacerbated disparities - indeed, there was the view that greater disparities were the necessary price to pay - while in others its benefits were evenly distributed. The question should therefore be gone into more systematically, bearing in mind that it affected developing and developed countries alike. Replying to the question asked by the representative of Saint Lucia, he reaffirmed that the incomplete integration of economies and persistent serious disparities created problems, but the difficulty lay in finding ways and mechanisms to enable all parties, including the smaller countries, to have a greater voice in decision-making. Such a redistribution of powers called for more detailed consideration.

15. Referring to the Brazilian delegation's question about the new consensus arrived at in Prague, he said such subjects held nothing new for the Second

Committee, which had made them a leitmotif for years, thus proving - if proof were needed - the impact of the work of the United Nations on the development of global policy. As to the Brazilian delegation's second question about the emphasis to be placed on the needs of the least developed countries, it was clear that the United Nations must ensure its work involved all countries, those integrated into the global economy and the poorest which needed preferential treatment. Referring to Pakistan's statement, he said it was very difficult to adopt an overall approach to the question of globalization and development; it was better to deconstruct the concept. Globalization could be said, for example, to promote growth, or even to help eradicate poverty, but to produce less convincing results in the area of financing, and there was some question also about other aspects such as technological interaction. However, there was currently no other option, particularly for the smaller countries, which could not erect barriers against the rest of the world, but on the contrary were worried about having doors closed to them. He fully shared the representative of Nepal's view about the marginalization of the least developed countries because of a perceived or real lack of competitiveness and the need for continued liberalization in sectors such as agriculture and textiles, while at the same time guaranteeing countries' economic, social and cultural rights. Finally, replying to the representative of Mexico, he reaffirmed the pre-eminence of the principle of shared but differentiated responsibility in many crucial areas, including management of water resources and the environment.

16. Mr. ALIMOV (Tajikistan) said the decisions taken at the current session of the General Assembly would determine the future of international cooperation in the twenty-first century, as evidenced by the adoption of the Millennium Declaration, with its ambitious objective of building a new, more equitable world order responsive to the interests of all members of the international community. However, that would mean developing a strategy for sustainable development in a framework of stability.

17. With the advent of the age of globalization, the international community faced a new situation in approaching the next millennium. While globalization afforded rich possibilities for economic growth and development, there was also the risk that it would exacerbate economic and social problems and accentuate the disparities of development. It was therefore a priority for the United Nations and the organizations within the system to provide all countries and peoples with access to the benefits of globalization.

18. Another new feature of the current age was the lightning-fast development of information and communication technologies. Along with the infinite possibilities which it opened up, the digital revolution was also creating a digital divide between developed and developing countries. If the trend towards the marginalization of an enormous portion of the world population was not to continue in the twenty-first century, the United Nations and the international community as a whole must pay constant attention to that phenomenon.

19. Persistent poverty in many countries also remained one of the major problems of the new century. The United Nations was right to focus on absolute poverty as the main obstacle to sustainable development. The United Nations operational institutions, with their wealth of experience and capacity to

provide effective assistance to countries in need, had an important role to play in that respect.

20. The special problems facing the countries in transition, one of which was Tajikistan, called for tailored solutions. The economic development of some countries in that category was in many cases attributable to passing phenomena; if that progress was to be lasting, further action would be needed at both national and international levels. In addition, those countries, like many others, found themselves having to cope with the challenges of globalization and the new information-based economy. Some of them were experiencing a period of internal or external instability and often found themselves without adequate resources of their own. That was particularly true of those which had suffered devastating disasters and those engaged in post-conflict peace building. Against that background, the assistance which countries in transition received from the United Nations and the organizations within the system was of special importance. Tajikistan, which valued that aid highly and counted on it being continued, took a close interest in the drafting and adoption, at the current session, of a resolution on the integration of transition countries into the global economy which would set the course for future United Nations activities in that regard.

21. Worldwide sustainable development safeguarding the interests of present and future generations was one of the most crucial objectives of the new millennium. Mankind must be able to meet the growing needs of economic and social development while not only preserving, but also gradually restoring ecosystems and natural resources in order to ensure environmental stability. Of all natural resources, fresh water was of special importance in that it was essential to all life on earth and a prerequisite for sustainable development. Regardless of the many instruments concerning fresh water adopted by the international community over the past 10 years, the situation remained worrying. The availability of sufficient good quality fresh water would be one of the main problems of sustainable development for the new millennium. According to United Nations estimates, if current trends continued, almost two-thirds of the world's population would be without sufficient fresh water by 2025. Tajikistan's current fresh water problems were not attributable to any shortage of international agreements, decisions or recommendations; what was needed were much more effective and concrete measures and greater political will in putting those decisions and programmes into effect.

22. The experience of the last few years had shown that the declaration of international years devoted to given themes could serve to generate momentum and awareness in pursuing specific objectives. That was why Tajikistan had proposed proclaiming 2003 the International Year of Fresh Water. It was grateful to those Member States which shared its concerns and had supported that initiative. More than 50 of them had already become sponsors of the proposal, and it was to be hoped that they would be joined by many more, so that the General Assembly could adopt it by consensus.

23. There could be no question that one of the most important tasks at the current session would be the adoption of a decision on the holding of a 10-year review of the implementation of the decisions of the United Nations Conference on Environment and Development. Rio+10 should be a summit meeting on

sustainable development and be held in a developing country. In line with the provisions of Agenda 21, the General Assembly should conduct a thorough and objective assessment of what had been achieved and chart the course for further progress towards sustainable global development based on new phenomena and trends.

24. By and large, his country valued United Nations action in coordinating emergency humanitarian aid. The procedures established for coordinating humanitarian relief had proved their worth. He expressed the hope that it would be possible to address the concerns expressed by the Secretary-General regarding an increase in the level of humanitarian aid provided by donors. In that regard, it was important to abide by the fundamental principles applicable to such aid, namely, neutrality, objectivity and humanity.

25. The increasing frequency of cataclysms and disasters called for a strengthening of the United Nations capacity to deal with them. The Russian Federation's initiatives in that regard should be supported. The United Nations should review its capacity at national, regional and international levels and recommend ways of strengthening it.

26. At the turn of the century, the international community bore a heavy burden of economic and social problems which had built up over the years and had been quite apparent since the last decade. It had taken a lot of time and effort, particularly on the part of the Second Committee, to realize their significance and accord them priority in the context of viable national and global development, in order to identify correlations and devise ways and means of arriving at solutions. As the most universal and representative of international cooperation agencies, the United Nations was best qualified to look into and identify solutions to those problems. Its central role had been reaffirmed in the Millennium Declaration, which clearly charted the course of the international community's development activities over the coming years. It was now up to the Second Committee to define specific measures.

27. Mr. PAOLILLO (Uruguay) said that the Second Committee had from the beginning endeavoured to lay the foundation for a more just, more equitable and more democratic economic system, but now those efforts fell within the radically different economic context of globalization. While there were many who saw globalization as a factor for well-being and prosperity, it did not in itself provide any solution to the major problems confronting mankind, particularly poverty. Recent World Bank and International Monetary Fund studies had shown that 1.2 billion individuals had income of less than US$1 per day, and there was no real prospect of improvement before 2008 if the scenario of relatively slow economic growth interrupted by intermittent crises affecting mainly the poorest countries continued.

28. Among the targets proposed at the Millennium Summit was to halve the number of persons living in such conditions of poverty by 2015. As the Secretary-General had pointed out in his report on the work of the Organization, the most effective way of combatting poverty was to promote sustainable development for the whole of mankind. However, if any progress was to be achieved, international cooperation must be broadened and strengthened by taking far-reaching decisions designed to accelerate global economic integration.

29. Free trade and sound financial management were the two main factors underlying such integration, together with access to the new information and communication technologies. If globalization was not to fail, immediate action was needed to avert the risk of a digital divide. It was also necessary to ensure complete freedom of trade by opening global markets to developing countries and dismantling tariff and non-tariff barriers, subsidies and other obstacles to trade which severely restricted the economic prospects of all. Agreements concluded under the auspices of the World Trade Organization (WTO) should be strictly implemented to permit wider participation of all countries in world trade. The multilateral development agencies such as UNCTAD should continue to help developing countries to expand the possibilities available to them in world trade. A new round of negotiations embracing the agricultural sector, for example, would promote trade liberalization, for the huge anomaly of the astronomical volume of subsidies granted to a major portion of world agricultural production could no longer be tolerated.

30. Uruguay had pursued its open-market policy by removing various obstacles to free trade and reducing or rationalizing import duties either unilaterally or under multilateral agreements. In MERCOSUR, it had negotiated various aspects of its trade policy, with a view to the future establishment of the customs union and common market. The negotiations in question had included those on the formation of a free trade area of the Americas and others between MERCOSUR and the European Union and Andean Community, which constituted the region's main strategy for strengthening its economic and trade links.

31. Technical cooperation for development was another lasting mechanism which could help the developing countries to better enjoy the potential benefits of globalization, facilitate the North-South dialogue and establish new frameworks incorporating the vitally important sectors of trade, foreign investment and information and communication technologies, so as to promote regional and subregional integration.

32. In the area of financing for development, the international high-level event scheduled for 2001 would afford genuine opportunities for in-depth consideration of the question in a true spirit of cooperation. That exercise should also take account of the obligations of both industrialized countries and developing countries to find new financing sources and arrangements for effective implementation of the decisions adopted at major United Nations conferences.

33. Efforts should also continue to strengthen the institutional capacity of the United Nations to ensure the survival of mankind, protect the environment and conserve natural resources. It was essential therefore to continue to act on the commitments made in Rio and to use the opportunity of the Rio+10 Conference to encourage further progress in the areas of biodiversity, climate change, protection of the ozone layer, desertification and problems related to the shortage of water and energy resources. In that connection, it was regrettable that the industrialized countries had failed to honour their commitment to provide additional funding and environmentally sound technologies on concessionary terms. Finally, his delegation was confident that the other major conference scheduled for 2001, the Third United Nations Conference on the

Least Developed Countries, would lead to agreements which promoted the development of those countries.

34. Mr. ACEMAH (Uganda) associated himself with the statement made by the delegation of Nigeria on behalf of the Group of 77 and China. The current session of the General Assembly was crucial for the future of the United Nations as it provided a unique opportunity to chart a better course for the Organization and, for the Second Committee, to take a critical look at the challenges and problems facing the international economic system.

35. The current fuel crisis in Europe was reminiscent of the energy crisis of the 1970s which had played a major role in the decision to convene the sixth special session of the General Assembly to discuss the problems of raw materials and development. At that session, the Assembly had called for the restructuring of international economic relations on a just, equitable and democratic basis and for the establishment of a new international economic order. His delegation therefore believed that there was no need to look for new solutions; it would be better to summon the necessary political will to implement fully and expeditiously General Assembly resolutions 3201 (S.VI) and 3202 (S.VI) which had been adopted by consensus, as the establishment of a new international economic order was still the best way of addressing the formidable challenges and problems confronting the international community, such as debt, illiteracy, poverty, sustainable development, environmental degradation and disease.

36. The violent protests by civil society in Seattle and Prague were indicative of the anger and disillusionment of ordinary people at the lack of action on the part of Governments and resistance to change on the part of multilateral financial institutions. His delegation associated itself fully with the statement made by the Secretary-General at the opening of the tenth session of the United Nations Conference on Trade and Development about the effects of globalization on employment and labour standards, the environment, public health, human rights and cultural diversity.

37. External debt was unquestionably the greatest obstacle to the developing countries' efforts to expedite economic growth and eradicate poverty. The underlying causes varied from country to country. In the case of low-income countries, or heavily indebted poor countries (HIPC), the debt crisis was mainly attributable to servicing of debts contracted in the 1970s and 1980s and to weak economic performance resulting from ill-judged economic policies and from terms of trade which did not favour primary commodity exports. In addition, many countries had mismanaged their external debt by borrowing funds at commercial rates for investment in projects which had yielded low rates of return and had often earned no extra foreign exchange. As a result, developing countries were unable to service their debt without imposing an intolerable strain on their economies or their ability to fund public services. The debt burden also discouraged private investors who perceived its negative impact as undermining the commercial viability of their investments.

38. It was therefore imperative for the international community to accord the highest priority to debt relief. While several initiatives had been launched over the years, it had not been until recently, with the inception of the HIPC initiative and the subsequent enhanced initiative, that the international

community had begun to act with the necessary commitment and resources. Those new initiatives were effective for a number of reasons. Firstly, in determining the amount of debt relief for each recipient, an improved principle was applied to estimate the threshold level of debt sustainable, based on the size of the recipient country's economy and the level of its export earnings. Secondly, relief measures were also being applied to loans extended by multilateral lenders such as IMF and the World Bank. Such relief had earlier been restricted to loans by groups such as the Paris Club, despite the fact that multilateral loans represented a major part of the foreign debt of many low-income countries.

39. Beneficial as those initiatives might be, there were still some issues to be resolved in order to optimize the results. Funding must be found to enable some of the regional development banks, such as the African Development Bank, to offer debt relief to their own borrowers without jeopardizing their financial stability. Non-Paris Club creditors must also be brought in to ensure better distribution of the burden among all creditors. Moreover, the initiatives were not a panacea for the least developed countries, which would not escape the debt trap unless they could sustain both rapid economic growth and rapid growth in export earnings and unless the developed countries opened up their markets to their exports. In the final analysis, the best long-term solution would be to purely and simply cancel the debt of the poorest countries.

40. Uganda had been the first country to qualify for debt relief under the initiative and enhanced initiative because of its sound economic management and commitment to economic reform in the 1990s. It had achieved an average growth-rate of almost 7 per cent since the end of the 1980s and private investment had doubled from 7 per cent to 13 per cent of GDP as a result of sound macroeconomic policies which had brought low inflation and competitive exchange rates. Convinced of the linkage between debt relief and poverty eradication, the Government had established a Poverty Action Fund financed from debt-relief resources, which was channelled into many sectors, such as primary education, primary health care, water and sanitation, rural roads and agricultural extension.

41. The primary lesson to be learned from Uganda's experience was that debt relief was necessary to free resources for investment and for poverty eradication, but that, if it was to be effective in improving economic and social conditions in the poorest countries, it must be accompanied by sound economic and budgetary policies commanding the full support of civil society.

42. Mr. DAUSA CESPEDES (Cuba) supported the statements made by the Chairman of the Group of 77 and by the Ambassador of Samoa, as Chairman of the Alliance of Small Island States. Two recent events were of particular importance to the Second Committee: the South Summit held in Havana, whose Declaration and Plan of Action were reproduced in document A/55/74; and the Millennium Summit, which had reaffirmed the international community's support for the United Nations and had emphasized the need for greater justice, solidarity and fairness in the world. The Second Committee must now face the challenge of taking decisions and proposing specific measures giving substance to declarations of principles. The world must no longer be divided into a tiny rich minority and an overwhelming majority of poor.

43. The Committee had to address a number of important issues, such as globalization, financing for development, science and technology, the environment, trade and foreign debt. It must do so with particular resolve, given that the world now had the technological means and capabilities to ensure development and rescue millions of people from ignorance, squalor, insecurity and disillusionment.

44. The world was beginning to realize the importance of a number of facts: States must be strong; a free market, privatization and the withdrawal of the State from economic activities were not enough to ensure economic and social development; globalization under the yoke of neoliberalism tended to globalize poverty rather than development, to violate national sovereignty rather than respect it and to propagate injustice and iniquity at the expense of the poorest countries; there was a need for an international finance regulating agency, operating on a democratic basis, without the right of veto for anyone, and able to regulate financial markets; and it was important to take urgent measures to solve the debt problem of the poorest countries.

45. Cuba attached special importance to the preparations for the meeting on financing for development, which should bring together all stakeholders in development, mobilize additional resources and restore the importance of official development assistance. Hopefully, the international community would demonstrate a real political will to arrive at agreements guaranteeing democratic international management that would ensure not only the transparency of international institutions, but also the participation of developing countries in decision making on a basis of equality with the rich countries. Strict criteria must be applied to both North and South countries in the management of international economic relations and financial institutions.

46. Cuba also attached special importance to the preparations for the 10-year review of the United Nations Conference on Environment and Development (UNCED) known as Rio+10. Regrettably, eight years after UNCED, the principles proclaimed and commitments made there remained a dead letter, particularly those concerning financial resources and the transfer of technology. Rio+10 must not be used for the renegotiation of agreements already concluded, but must identify the challenges and difficulties faced in implementing Agenda 21.

47. Finally, there was a need for urgent measures to relieve poverty and underdevelopment in Africa. The forthcoming conference on the least developed countries should review the numerous but inconclusive African initiatives taken by the United Nations, giving special consideration to the particular needs of those countries and mobilizing the donor community to make a real commitment to provide financial, technological and humanitarian assistance. Cuba would spare no effort in providing assistance to the African countries, in accordance with its commitments regarding South-South cooperation.

48. Mr. BALAKASI (Malawi) associated himself with the statements made by Nigeria and Namibia as Chairmen of the Group of 77. Unquestionably, the recent Millennium Summit and the Declaration adopted by it would bear fruit and guide the deliberations of the Second Committee.

49. Among the themes dealt with, poverty reduction had been the centrepiece of Malawi Government policy since 1994. He expressed the hope that the international community would reduce poverty by half by the year 2015. His Government was also sparing no effort in combating HIV. Another source of concern was the question of global microeconomic imbalances which bore resemblances to those of the 1970s and 1980s, when the lack of cooperation and coordination among the major economic Powers had led to a systematic breakdown. Failure to resolve the current imbalances in an orderly manner would be damaging to growth in the developing countries. It was sad that the developed countries enjoyed the benefits of globalization, while poorer countries such as Malawi were increasingly marginalized. The international community must take action and, in particular, fulfil its commitment to support the economic reform measures introduced by many countries as a means of promoting development.

50. The external debt crisis continued to jeopardize the efforts of developing countries, most of which had to use the bulk of their export earnings for debt reimbursement, so that they were forced to reduce public services. His delegation welcomed the heavily indebted poor countries initiative, but felt the measures taken to be insufficient. The conditions for aid should be made more flexible and the criteria for eligibility more objective in order to enable a greater number of countries to benefit from it. There was an urgent need to cancel the debt of developing countries outright and without exception.

51. As international trade accounted for only a small portion of the economic activity of the least developed countries, they were in a weak position as far as benefiting from globalization and liberalization was concerned. He expressed the hope that all countries and multilateral organizations would work towards the achievement of an equitable international trading system which, in the long run, would strengthen global cooperation and prevent further marginalization of the least developed countries.

52. Industrialization played a vital role in economic growth and sustainable development. In developing countries, it could contribute to the eradication of poverty, encourage the participation of women and vulnerable groups in development and create jobs. Regrettably, industrialization had been frustrated in many developing countries by a lack of technology and capital. The international community should provide the necessary assistance.

53. Sustainable development could not be achieved unless the problems of financial resources and the transfer of environmentally sound technology were resolved. To that end, meaningful partnerships should be established between developed and developing countries. Political will to bring about change and the genuine achievement of sustainable development was essential in both developing and developed countries.

54. Africa was experiencing grave difficulties caused by indebtedness, falling commodity prices, limited access to markets, lack of foreign investment, declining levels of official development assistance and civil conflicts. The international community must help the African countries to achieve economic growth and sustainable development. Africa was a diverse and highly complex continent with innumerable problems. It needed the help of the developed countries.

55. Ms. CORADO-CUEVAS (Guatemala) said her delegation endorsed the ideas put forward in the statement by Nigeria on behalf of the Group of 77. Guatemala was anxious to ensure that development was accorded its rightful place in United Nations programmes and had followed closely the process leading to the holding of a high-level event on development financing in 2001. The United Nations, which had devoted conferences to such highly important topics as the environment, gender equality and the rights of the child, must now focus on development financing.

56. The United Nations operational activities were of special importance to Guatemala in that they addressed complex issues relating to political stability and post-conflict peace-building. It was therefore disturbing to learn that the United Nations system, and in particular UNDP, were experiencing financial difficulties.

57. In an increasingly interdependent world, Guatemala attached growing importance to efforts to combat environmental degradation and was a party to the major environment conventions. It was preparing to participate in the sixth Conference of the Parties to the United Nations Framework Convention on Climate Change to be held in The Hague, in November 2000, and welcomed the agreement reached in the Economic and Social Council on the Intergovernmental Forum on Forests. Guatemala would take part in the forthcoming session of the Commission on Sustainable Development devoted to energy and in particular in the preparations for the 10-year review of UNCED (Rio+10), which would be a unique opportunity to revive the Rio process and the efforts to promote sustainable development.

58. Guatemala endorsed the idea that peace and development were closely linked and had studied with interest the report of the Panel on peace operations, chaired by Mr. Brahimi, concerning post-conflict peace-building. Her Government was also planning a series of discussions on topics on the agenda of the Second Committee, to which it would continue to provide its support.

59. Mr. WIBISONO (Indonesia) said the Second Committee had a responsibility to take concrete action based on the declarations of principles made at the Millennium Summit and South Summit regarding international cooperation, development and poverty eradication. The current economic landscape was dominated by two trends: rapid globalization and the erosion of multilateral cooperation. There had been two approaches associated with those trends; the first relied on the free play of market forces and the second advocated multilateral cooperation for development, although that approach had been largely eclipsed by the more market-oriented one over the last decade. In the light of the lessons learned during that period, it was becoming increasingly recognized that market forces and globalization had not been enough to lift millions of people out of poverty and destitution, nor had they been able to narrow the gap between developed and developing countries. While globalization had generated tremendous wealth for many countries, the great majority of developing countries seemed to have been excluded.

60. In Indonesia, globalization was recognized as a double-edged sword. Indonesia had reaped the benefits of globalization, but had collapsed in the wake of the financial crisis. The challenge facing the Second Committee was

therefore to establish an international economic system that was just and democratic, in order to transform globalization into an effective instrument for growth and development. It was essential to strike a balance by revitalizing multilateral cooperation so as to help the developing countries to successfully integrate into the global economy.

61. The only way of meeting that challenge was through genuine and equitable dialogue addressing the issues of financing for development and external indebtedness; international trade and commodities; and transfer of technology, including information technology.

62. The issue of financing for development had assumed immense importance in the effort to eradicate poverty. However, shortage of resources was a serious constraint. In addition, with new technologies, it had become highly volatile and complex. Full attention should be given to the issue of private capital flows and the attainment of the official development assistance target of 0.7 per cent. The international financial architecture should also be reformed. For those reasons, his delegation had high hopes for the success of the international high-level event on financing for development to be held in 2001 to address the issue of financing for development at intergovernmental level. Indonesia had already held a regional preparatory intergovernmental meeting.

63. The strategies applied thus far had failed to resolve the issue of indebtedness. Emphasis should therefore be on addressing the structural causes of indebtedness in order to arrive at a lasting solution. In that regard, he welcomed the initiative in favour of the heavily indebted poor countries and expressed the hope that it would be extended, expedited and made more flexible. Debt reduction arrangements for middle-income developing countries should also be moved forward.

64. Another core area of development was international trade. The benefits of the Uruguay Round of multilateral trade negotiations had not been fully realized, because of the obstacles abounding, not least the blocking of the comparative advantage enjoyed by the products of the developing countries through the introduction of disguised protectionist measures. In that connection, attention should also be drawn to the imbalances in existing WTO agreements. There was an urgent need to strengthen the multilateral trading system incorporated in WTO in order to ensure a more equitable, transparent and rule-based system. Moreover, the developed countries must honour their commitment to implement the provisions for special and differential treatment for the products and services of developing countries.

65. Despite many initiatives and concrete steps to promote environmentally sustainable development, much remained to be done in that respect. The forthcoming review of Agenda 21 should clearly identify specific ways of achieving significant progress and formulating effective initiatives. It was also critical to prepare seriously for Rio+10 so as to ensure a sustainable future. His delegation thanked the countries of Asia and the Pacific region which had endorsed Indonesia as the host of that important event.

66. Equally important was the need to harness the potential of information and communication technologies in the service of development. Progress had been

made in that direction and the Economic and Social Council had recognized that information and communication technologies presented the developing countries with a unique opportunity to accelerate development and close the economic gap and "digital divide" between developed and developing countries.

67. Mr. KEBEDE (Ethiopia) said his delegation associated itself with the statements made by the representative of Nigeria. The new millennium raised important questions for the Second Committee, not least that of globalization, which must become a positive force for all peoples of the world and not leave millions of individuals in squalor. While globalization was an inevitable feature of the new international order, it was far from being a panacea. Indeed, it had led to the marginalization of many developing countries, resulting in increasing disparity in the economic development of nations. It could cause more harm than good to the small vulnerable economies and perpetuate the domination of the weak by the strong. For globalization to be universally embraced, there must be in place a mechanism to regulate trade and ensure an equitable exchange between unequal partners.

68. For the least developed countries (LDCs), the 1990s had been a decade of continuing impoverishment and marginalization. Globalization could perpetuate and intensify that process. The Third United Nations Conference on the Least Developed Countries would provide an opportunity to adopt a global compact which restored genuine partnership between the least developed countries and their development partners on the basis of human solidarity and shared responsibility. That Conference should review specific measures in the areas of official development assistance, debt, investment and trade and lead to national and international policies for the sustainable development of the least developed countries.

69. He welcomed the General Assembly's decision to convene a high-level event on financing for development in 2001. That gathering would afford the international community an opportunity to address the systemic issues of financing for development in a holistic manner and to contribute to the creation of a system which was efficient, fair and responsive to the needs of developing countries.

70. Development assistance and concessionary financing were two questions of critical importance for development. Massive transfers of resources to the developing world were needed to promote sustainable development, eliminate the causes of poverty and enable peoples to benefit from the "globalized economy".

71. The servicing of external debt had a pernicious effect on the resources of developing countries and was a problem which called for a political response. A more favourable external environment must be created so that debt servicing did not assume critical proportions for developing countries.

72. Financial crises had frequently destabilized the international financial system, ravaging countries and regions. It was therefore essential to put in place internationally agreed rules to regulate international financial markets and enable national authorities to control short-term capital flows. In addition, a legal and normative framework for the management of financial crises must be developed for foreign investors, particularly large multinational

corporations, whose influence was extensive in the developing countries and in global development.

73. In the debate on financing for development, the issue of democratizing the governance of the international financial system was of importance if the marginalization of developing countries without a voice in decision-making in the multilateral financial institutions was to end.

74. Lastly, his delegation was seriously concerned about the decline of resources allocated to United Nations development activities. UNDP, which had played a very important role in Africa, had seen its resources decline since 1992, yet it should continue to be in the vanguard of global development efforts. It was imperative for it to continue to play its role, with additional resources and more effective programmes, especially in Africa.

75. Mr. OWN (Libyan Arab Jamahiriya) said the deliberations of the Millennium Summit and round tables had shown that, while progress had been achieved in the field of peace and security, the issues of sustainable economic and social development had not aroused the same interest, although the problems of poverty, unemployment, external indebtedness and unfair trade continued to cause many conflicts, create new pockets of tension and threaten many countries. There were numerous indicators and statistics showing that the North-South gap was continuing to widen, and a recent World Bank report showed that almost half the world's population (2.8 billion out of 6 billion) currently lived on less than two dollars per capita per day.

76. The evolution of thinking on development had shown that the human individual was the decisive factor in development. People were the real wealth of nations, and the development of human resources expanded the options available to each individual, the most important being long life, free from sickness. The individual must also be able to acquire knowledge and live in dignity. Only genuine economic development could reduce poverty. Science and experience had shown that raising per capita income in a sustainable way was impossible without genuine macroeconomic development which must be sustainable, just, humane and free of discrimination, particularly against women. That required restructuring the institutions of both the State and society in developing countries and amending or updating legislation to secure the rights of all categories of the population.

77. At the dawn of the new millennium, the international community must give priority to development programmes and the adoption of resolute measures: (a) there was a need for a new world order leading to the just distribution of wealth at both national and international levels; (b) collective peaceful solutions to international problems must be sought in order to realize the economic potential of the South, with a view to having equal and effective partnerships between North and South in decision-making and within development institutions; (c) North and South should share the fruits of globalization in order to narrow the gap between them and avoid the marginalization of developing countries; (d) a stable and strong international financial system should be established through basic reforms in the international financial structure to make it more transparent, democratic and responsive to the problems of financing development; (e) the partners in development should engage in a dialogue to

arrive at a balanced view of development which took into consideration the interests of developing countries and to reformulate a rule-based world economic order. Continued assistance must be provided to UNCTAD to enable it to continue its work of helping developing countries; (f) the developed countries must facilitate the transfer of technology, at reduced cost and on improved conditions; (g) the major industrial nations should enter into a dialogue with the developing countries in order to arrive at a solution to the problems of the environment at world, regional and local levels. The developed countries must honour their commitments to provide developing countries with the required resources and environmentally sound technologies.

78. Recent years had witnessed the growth of the phenomenon of unilateral coercive measures, i.e. sanctions, which had taken the form of economic blockades, the banning of the export of technology, the freezing of assets and property and other measures which hampered progress and prosperity and were in some cases aimed at imposing hegemony on developing countries. Such measures ran counter to the Charter and to international law. The Libyan Arab Jamahiriya, in particular, was a victim of such sanctions. It called on the international community to put an end to those measures, which constituted a misdirection of international relations and prevented the establishment of an international economic order based on fairness and justice. The declaration adopted by the South Summit Heads of State and Government had stated as much and had expressed deep concern over the imposition of economic sanctions on civilian populations and their impact on the development potential of the target countries. The Jamahiriya had honoured all its commitments, so that all sanctions imposed on it should be lifted forthwith. Continued assistance should also be provided with the clearance of landmines and the rehabilitation of mine victims. There were still mines dating from the Second World War in Libya. The countries responsible for planting mines outside their own territory should cooperate with the afflicted countries and contribute to the costs of clearance and the compensation of victims.

79. Mr. CALOVSKI (former Yugoslav Republic of Macedonia) said his views coincided with those expressed by the representative of France on behalf of the European Union. The central aim of the current general debate should be the implementation of the priorities outlined in the Millennium Declaration, which constituted the most important commitments made by Heads of State and Government at the beginning of the twenty-first century. It should be reaffirmed that responsibility for managing worldwide economic and social development, as well as threats to international peace and security, must be shared among all nations. In that respect, the United Nations must continue to play a central role.

80. He expressed appreciation of the quality of the documents before the Committee at the current session, in particular the World Economic and Social Survey 2000 and the declaration of the G-8 summit held in Japan. Those documents demonstrated the urgent need for proper management of the looming energy crisis and for a solution to the problem of indebtedness, which could not be delayed. Cooperation was more necessary than ever.

81. Through its negative and positive effects, globalization had become a major topic at international meetings. Its worst negative effect was the

marginalization of small vulnerable economies, as well as the fact that it did not really contribute to the elimination of poverty and underdevelopment, in spite of the correct assumption that, if properly managed, globalization could become a major factor for development and poverty eradication. The task should therefore be to work out a programme of policies and measures for the proper management of globalization and to agree upon a mechanism to ensure the realization of that programme. That was a huge task, but one which the United Nations could not avoid, in view of the commitment by Heads of State and Government in the Millennium Declaration.

82. The process of economic integration was continuing unabated throughout the world. In some parts of the world, emphasis was placed on deepening and widening integration, while in others it was on creating free trade areas and zones of closer economic cooperation. Regional economic integration was a process which, like globalization, should be better managed. The main obstacle to that process was the preservation of acquired advantages and concern about the loss of national identity. Both of those concerns were short-sighted because, in the twenty-first century, most obstacles would disappear and the global economy would no longer be able to tolerate borders which were closed to the movement of ideas, capital, goods, people, services, science and technology, culture and information. The United Nations was uniquely placed to play a central role in managing that process, which should be done in parallel with the management of globalization.

83. The existing multilateral trade and financing system satisfied no one. Dissatisfaction was particularly strong in the developing countries and countries with economies in transition. That was an old question. Nevertheless, the number of qualitative and quantitative barriers was constantly increasing. Access to markets was being made more difficult by the continuing efforts of all parties to preserve competitive advantages through protective policies and measures such as customs duties, quotas and verification of certificates. Enormous efforts had been made by UNCTAD and WTO, but the results were still far from satisfactory. It was unacceptable that many countries remained outside WTO. The United Nations, and particularly UNCTAD, should continue to insist on the liberalization of the international trading system, which was essential for the development of many countries. In the year 2001, a high-level international and intergovernmental event on financing for development was to be held. Its aim would be to generate more financial resources for development, both nationally and internationally. It would address other issues, such as the debt problem. With preparations off to a satisfactory start, great hopes were being invested in that event. Its success would depend on the positions of the World Bank, the International Monetary Fund and the World Trade Organization, as well as on those of other stakeholders directly or indirectly involved, and in particular on the positions of major players such as the United States, the European Union and Japan. The recent meeting of the IMF and World Bank in Prague and the G-8 Summit in Japan gave some cause for optimism.

84. The debt problem had still not been solved. The process of writing-off the debt of heavily indebted poor countries should continue and they should not be forced to repay their debt. Indeed, requesting them to do so was counter-productive from all points of view - economic, political and moral - for at

least two reasons: firstly, existing and future generations should not be required to repay the debts of former generations, which may have invested loans in non-viable projects or dubious undertakings, sometimes with the agreement of the creditors; secondly, countries such as the former Yugoslav Republic of Macedonia should not be required to repay debts contracted to finance wars in other parts of the former Yugoslavia or as a result of decisions of the Security Council. It was imperative that the heavily indebted economies should be freed from the pernicious trap of indebtedness. Debt cancellation was unquestionably one of the best possible investments in poverty elimination and development.

85. His country was currently endeavouring to join the European Union in order to strengthen its economy. By the end of the year 2000, it was expected to have concluded an agreement of association and stabilization with the European Union, and it had recently joined the European Free Trade Area (EFTA). The country was making huge efforts to implement the Pact for Stability in South-eastern Europe. Most of the projects involved major transport and communications infrastructure schemes. In spite of the difficulties prevailing in the region, his country's economy continued to achieve better results than in the past. The main problems continued to be unemployment, the situation of large, loss-making enterprises and the loss of market share. The country would also like to see more foreign direct investment and continued to be concerned for the stability of the region, which was the main obstacle to economic development.

86. Mr. BASSON (Monaco) expressed unreserved support for the fundamental values proclaimed in the Millennium Declaration relating to topics of concern to the Committee such as solidarity, respect for nature and shared responsibility, values which must govern international relations in the twenty-first century.

87. The phenomenon of globalization, which the philosopher Jacques Poulain had described as "global privatization", had undoubtedly been instrumental in changing relations between countries and peoples. While economic, social, political, environmental, cultural and technological intercourse had probably improved the living standards of many, many others were still completely excluded from the benefits of globalization. Action was therefore needed to correct its pernicious and discriminatory effects. Economic globalization was well known to be driven largely by powerful private transnational interests, many of which used any number of ruses to evade national and international laws. Accordingly, the Committee should endeavour to initiate a more in-depth analysis of the role of multinational corporations interested mainly in quick profits and the dangers they presented for the environment, health and natural resources, often by abusing dominant positions which threatened free competition, the very foundation of markets. As H.S.H, Prince Rainier III had stated, the way in which the new economic and financial powers acted in respect of human rights, particularly economic, social and cultural rights, should be looked into. The international community should be fully aware of that risk and of the fact that the most serious violations of those rights were not always directly attributable to States.

88. The shipwreck of the Erica off the French coast in December 1999 had been highly revealing in that respect. The concatenation of irresponsibility in that ecological disaster was disturbing. States too often found themselves without resources when dealing with such powerful economic and financial interests, and

were in some cases even dependent on them. The international community must therefore be provided with effective legal and technical means of combatting abuses and irreversible assaults on nature by those interests.

89. Generous decisions and concrete action were needed to attain the objective linked to the management of globalization, namely, halving the number of persons living in extreme poverty by the year 2015. His delegation reaffirmed its support for the first United Nations Decade for the Eradication of Poverty. In its contribution to the second Forum of the World Alliance of Cities against Poverty (WACAP), his Government had demonstrated its resolve to become still further involved in decentralized multilateral cooperation. The exchange of experience in urban management, joint implementation of innovative social programmes and the development of international municipal cooperation could only help to improve the living standards of urban and suburban populations and to combat the pollution generated by major cities.

90. Since becoming a member of the United Nations, Monaco had resolutely embarked on expanding its international cooperation. In the field of environment and sustainable development, it had both competence and experience. In order to comply with international commitments to reduce the quantities of ozone-depleting gases and pollutants discharged into the atmosphere, the Monegasque authorities were encouraging and supporting initiatives for the use of clean sources of energy such as electricity, particularly in public transport. In general, renewable sources of energy such as solar energy, biomass energy, wind energy, hydro-electricity and tidal energy needed to be developed very rapidly. Monaco was also involved in efforts concerning the protection and consumption of marine fauna and flora in the Mediterranean, and in the protection of coral throughout the world. The Conference of Parties to the Barcelona Convention, which included 21 Mediterranean countries, the European Union and environmental agencies, had chosen Monaco as the venue for the twelfth meeting of Contracting Parties in November 2001. Monaco had signed an agreement with France and Italy establishing a reserve for the reproduction and protection of cetaceans extending from the Giens peninsula in the west to Tuscany in the east. According to recent scientific estimates, the sanctuary was home to more than 1,000 whales and some 25,000 dolphins. Monaco had also signed a second cooperation agreement with Lebanon under which it would provide assistance in reafforestation activities. Through the International Organization of la Francophonie, the Government of Monaco was helping a number of countries, particularly in Africa, with environmental and sustainable development activities. It was actively preparing for the Rio+10 Summit and, in November 2000, would host the meeting of the United Nations Environment Programme (UNEP) Regional Seas Programme.

91. Regarding the prevention of corruption and the illegal transfer of funds, matters on which the Second Committee had adopted a resolution at the previous session of the General Assembly, he noted that Monaco's anti-money-laundering legislation was in line with that of other European States and that Monaco had set up a very efficient service for gathering information and monitoring movements of funds so as to be able to keep the judicial authorities promptly informed and exchange vital information with competent foreign services. No one could seriously claim to be unaware of the realism and effectiveness of decisions taken by the Monegasque authorities, still less question the

determination which they had consistently shown in combating the laundering of money of doubtful origin. But determined international action against the real criminals who enriched themselves with impunity by trafficking in human beings, arms and drugs and who, in violation of national and international laws, were both responsible for accumulating such funds and continually in search of new ways of laundering them. Appropriate responsible multilateral cooperation was therefore needed to deal with that situation.

The meeting rose at 1.25 p.m.